

## **Decree No. 9585**

Definition of the minutes of application of the legislative decree No. 105/77, dated 30/06/1977 concerning compulsory insurance against civil liability for bodily injuries caused by road vehicles towards others

### **The president of the republic,**

In view of the constitution,

In view of the legislative decree no. 105 dated 30/06/1977 concerning compulsory insurance against civil liability for bodily injuries caused by road vehicles towards others, in particular articles 20 and 21.

In view of the suggestion of the ministers of Interior and Municipalities, and of Economy and Trade,

After consultation with the National Insurance Board in the session held on 24/10/2002,

After consultation with the State Council (Notice no. 377/2001-2002 dated 01/10/2002, and notice no. 50/2002-2003 dated 26/11/2002)

And after approval by the Council of Ministers in the session held on 12/12/2002,

### Enacts as follows:

#### Article 1

As of 05/04/2003 begins the application of the provisions of the legislative decree no. 105/77 dated 30/06/1977 (the compulsory insurance against civil liability for bodily injuries caused by road vehicles towards others) on cars and vehicles specified in article 3 of the present decree, and which are registered or will be registered at the Traffic, Trucks and Vehicles management authority.

#### Article 2

Each driver of a vehicle is required to take out an insurance covering the liability that might arise from bodily injuries caused by the vehicle to others, as per Article 2 of the legislative decree 105/77. He is also required to authenticate this contract by a card delivered to him. The driver is also required to affix a special stamp referring to this insurance on the upper left corner of the vehicle's front glass.

The content, form and color of the card as well as the stamp abovementioned will be determined as per a Decision by the Minister of Economy and Trade following the suggestion of the Board of Directors of the National Institute of Compulsory Insurance.

#### Article 3

Compulsory insurance is applied to each road vehicle equipped with an engine, and every trailer or semi trailer, regardless of these vehicles, trailers or semi trailers types or destination, in particular the following road vehicles including without limitation:

- 1) Private and public passenger cars
- 2) Private and public buses, regardless of their dimension
- 3) Passenger and transport cars, as well as private-use cars
- 4) Private and public freight cars (trucks) regardless of their dimension
- 5) Ambulances and hearses
- 6) Motorcycles regardless of their type
- 7) Mechanical vehicles for farming
- 8) Public sector vehicles that belong to the state or to public institutions or municipalities except for vehicles of the different security forces.

#### Article 4

The National Institute of Compulsory Insurance established in accordance with article 8 of the legislative decree no. 105/77, in an initial phase, takes upon itself the tasks specified in paragraphs 1 and 2 of article 9 of the mentioned legislative decree.

#### Article 5

The National Institute of Compulsory Insurance consists of the following authorities:

- 1) Public body: includes by rights all insurance bodies holding a license allowing them to execute insurance operations against all road vehicles risks.
- 2) Board of directors: constitutes the Institute's endorsing authority and is elected by the public institute for a renewable period of three years.

The board of management consists of seven members which are:

The elected member	Six members elected by the public institute
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Gnomic member	Chairman of the Board of Directors – Director General of the Traffic, Trucks and Vehicles management authority at the Ministry of Interior and Municipalities
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The Board of Directors, in the first session it holds, elects a chairman and a vice chairman among its elected members.

- 3) Executive authority: Presided by the Director General who is appointed by the Board of Directors.

The Chairman of the Board of Directors takes up the tasks of the Director General throughout the initial phase mentioned in article 4 of the present decree.

- 4) State Attorney: The president of the Department of insurance bodies affairs at the Ministry of Economy and Trade represents the Minister of Economy and Trade at the National Institute of Compulsory insurance, and in case of absence, the employee legally authorized to execute the latter's work while absent, takes up the responsibilities of the State attorney.

## Article 6

The authorities mentioned in article 5 will exercise the following powers:

First: Powers of the public institute:

- 1) Analyze and finalize annual balance sheets and budgets, calculation of profits and losses, and nomination of the supervising attorney.
- 2) Promulgate the company's regulations prepared by the Board of Directors, in particular the main bylaws mentioned in article 8 of the present decree.
- 3) Elect the Board of Directors members and dismiss them.

Second: Powers of the Board of Directors:

The Board of Directors is in charge of managing the Institute and fulfilling its goal, and it performs in particular the following functions:

- 1) Establish the company's projects of regulation, in particular the main bylaws and financial status, and submit them to the public institute for approval.
- 2) Establish a compulsory insurance model contract that all insurance committees must adopt.
- 3) Set the rate of the compulsory insurance credits for every kind of road vehicles categories.
- 4) Appoint a Director General for the National Institute of Compulsory Insurance.

Third: The powers of the Chairman of the Board of Directors and the Director:

- 1) The powers of the Chairman of the Board of Directors and the Director General are defined according to the main bylaws of the National Institute of Compulsory Insurance.

Fourth: The powers of the State attorney:

The State attorney ensures in general the enforcement of laws and regulations related to the Institute, and in this function, attends the sessions held

by the Institute's Board of Directors, where he has the right to object on the decisions of the said board.

The objection of the State attorney on any decision of the Board of Directors suspends the execution of this decision. The State attorney should inform the Minister of Economy and Trade of his objection within two days as from the date of objection and the Minister will have a period of fifteen days to consult with the National Insurance Board regarding the subject objected and to come to a conclusion after the consultation. The decision shall be deemed approved if the stated deadline has been exceeded without notifying the Board of Directors during this period, through a decision explaining the refusal.

#### Article 7:

For a period of three months following the date of issuance of this decree and until the promulgation of the main bylaws of the Institute, the Ministry of Economy and Trade shall be responsible for inviting the public body to elect members of the Board of Directors of the National Institute of Compulsory Insurance and invite the Board of Directors to elect its President and Vice-President, in order to define the conditions and procedures of the public body and the Board of Directors sessions, as well as the methods to adopt resolutions.

#### Article 8:

The main bylaws mentioned in the Article 6 of this decree should include provisions governing the invitation and conduct of the sessions of the public body and the Board of Directors of the National Institute of Compulsory Insurance, as well as the conditions and procedures of the election of members of the Board of Directors and their dismissal, the conditions and procedures of the appointment of the Director General and his dismissal, in addition to defining the powers relating to the Chairman of the Board Directors and the Director General.

#### Article 9:

Charges, expenses and obligations of the National Institute of Compulsory Insurance, during the initial phase mentioned in Article 4 of this decree, shall be covered as follows:

1. Contributions of insurance bodies defined by the Public Committee of the Institute.
2. Taxes imposed under the provisions of the legislative decree no. 105 dated 30/06/1977, on compulsory insurance against civil liability for bodily injuries caused by road vehicles towards others.

#### Article 10:

The decisions taken by the competent authorities in the National Institute of Compulsory Insurance relating to any of the following subjects should be subject to a legalization by the Minister of Economy and Trade:

1. The legalization of regulations of the Institute including the main bylaws and the financial status.
2. Defining the contributions of insurance agencies regarding the financing of the Institute operations.
3. The insurance model contract.
4. The amount of credits from the compulsory insurance.

#### Article 11:

Taking into account the provisions of the Article 1, this decree shall be operational upon its publication in the official gazette.